

**Response to  
Fly-in, fly-out and other long distance commuting work practices in  
regional Queensland**

**Prepared by Isaac Regional Council**

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## Executive Summary

### Background

Isaac Regional Council (IRC) welcomes the opportunity to comment on the Queensland Government's inquiry into fly-in, fly-out (FIFO) and other long distance commuting work practices in regional Queensland.

IRC recognises the Queensland Government's inquiry as following on from the House of Representatives Standing Committee on Regional Australia's report into the use of FIFO and 'drive-in, drive-out' DIDO workforce practices in regional Australia 'Cancer of the bush or salvation for our cities?' and understands the inquiry is seeking deeper understanding of the impacts of FIFO work practices on individuals, families, governments and communities. However, as discussed in the report there is a crucial lack of data in this area, particularly in relation to impacts of FIFO work on individuals and their families, businesses, communities and governments. The report contains 21 recommendations for the Commonwealth Government. IRC strongly advocates that all 21 recommendations are implemented to ensure the impacts of geographic labour mobility are genuinely understood.

This submission intends to provide the Queensland Government with a local perspective of the impacts and opportunities of FIFO practices within the IRC local government area (LGA) and highlight key areas of interest and concern, but does not seek to detract from the need for further investigation as per the 21 recommendations of the 'Cancer of the bush or salvation for our cities?' report.

IRC acknowledges geographic labour mobility, including FIFO, is a critical factor influencing the economy's capacity to adjust to shocks and structural change. However, the Isaac experience suggests that when FIFO is promoted as the only workforce solution to participation in certain industry sectors, the long term sustainability of regional economies and communities is significantly threatened. It is important to clarify that IRC is not opposed to FIFO/DIDO and recognises that it is sometimes the only viable workforce solution. However a key area of concern is the removal of genuine choice from geographic labour mobility options.

Recently the resource sector made unprecedented changes to workforce arrangements which removed genuine choice from the labour market, not only securing approval for 100% FIFO workforces for Caval Ridge and Daunia Mines, near Moranbah in the Bowen Basin, but further specified potential employees would only be recruited from Cairns or Brisbane, metropolitan areas, excluding permanent relocation as an option.

Another key concern is the influence of the current tax regime on geographic labour mobility options and the extent to which it may also contribute to the removal of genuine choice from the labour market. The introduction of 457 visas as a replacement for investment in education and skills development poses significant threat to the Australian Labour markets capacity to respond to market signals through geographic labour mobility. An under-skilled workforce cannot meet the needs of industry regardless of employment options available.

## IRC overview

The Isaac Local Government Area (LGA) spans an area of approximately 58,000 km<sup>2</sup> in Central Queensland within the Tropic of Capricorn. The area is strategically placed to capitalise on the economic opportunities associated with developing Northern Australia and the rise of Asia. Located 1,000km north-west of Brisbane and 900km south of Cairns, the Isaac region is located in the heart of the Bowen Basin and neighbours the emerging Galilee Basin. The Isaac region's proximity, connectivity and accessibility to Abbot Point, Hay Point and Dalrymple Bay ideally connects the region to world class rail and port infrastructure and crucial export markets.

The region's estimated resident population for June 2014 is 24,755, although with an additional 11,085 resource sector workers housed in temporary accommodation at any one time the full-time equivalent population can fluctuate to an estimated 35,845.<sup>1</sup>

Isaac boasts a strong economy, largely driven by the resource sector. 2014 The resource operations industry contributes 85.4% (\$7.23 billion) to the regions total GRP of \$8.58 billion, produces 46% of Queensland's total saleable coal and generates 1.2 billion in royalty payments per year.

Agriculture is another key industry for the region. The gross value of Isaac Agriculture Commodities produced is \$168.7 million.<sup>2</sup>

The Isaac LGA alone produces 47% of Queensland's total saleable coal by volume and 70% by value,<sup>3</sup> and generated in excess of \$4.7 billion in royalty payments to the Queensland Government between 2010 and 2013.<sup>4</sup> The Isaac LGA accounts for approximately 3% of Queensland's Gross State Product (GSP) and based on the size of its population Isaac's contribution to GSP is five times higher than the state average.

Tourism also features on the economic landscape with the Isaac coast identified as an emerging tourism precinct for development in the Mackay Destination Tourism Plan 2014. The coast also hosts commercial fishing and aquaculture operations. Isaac's established inland corridors include 'the mining trail', extending from Mackay to Clermont, and 'The Great Inland Way', connecting Clermont to Charters Towers. Both trails present visitors with an opportunity to experience the rich culture of early European settlers in the area, against a backdrop of modern industry. The 'Copper Trail' connects Clermont in the west to Isaac's coastal community of St Lawrence, and closely follows the historical route used to transport copper and other commodities from the hinterland to the then Port of St Lawrence.

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<sup>1</sup> The State of Queensland: Queensland Treasury and Trade (2014) *The Bowen Basin Population Report 2014*;

<sup>2</sup> REMPLAN Economy 2015

<sup>3</sup> DNRM 2014

<sup>4</sup> Queensland Resources Council (2014) *Queensland Economy Isaac*; <http://www.queenslandeconomy.com.au/isaac/>

However our world is changing and like many regional economies the Isaac LGA faces challenges to continued socio-economic sustainability and growth. The CSIRO highlights global megatrends that will change the way we live. Depletion of the earth's natural mineral, energy, water and food resources; climate change and its impacts on the natural world; the restructuring of the global economy from east to west and north to south; and ageing population; increased digital connectivity; our expectations as consumers for experiences over products; and the rising importance of social relationships; will all be experienced to varying degrees at the local level.

Largely reliant on export commodities such as coal, a small number of minimally processed agricultural commodities and tourism, means the Isaac economy is largely export dependent and vulnerable to global trends and volatility. The downward trend of coal prices since 2012 has resulted in coal mines ceasing operation in the Isaac region, over 7,000 state-wide job losses and significant socio-economic impacts for local communities.<sup>5</sup>

### Key Points

- It is important to clarify that IRC is not opposed to FIFO/DIDO and recognises that it is sometimes the only viable workforce solution. However a key area of concern is the removal of genuine choice from workforce participation options via mandated FIFO practices which effectively exclude the local labour market.
- Currently the FIFO populations of host communities are not considered in decisions regarding the funding and provision of essential services, including health and emergency. This often leads to lack of capacity of these services to keep up with demand. Services within Isaac LGA communities are designed and funded to service a residential population of 24,755. In reality, however, these services cater to 45% more population than they are designed for when considered in the context of the full-time equivalent population, inclusive of FIFO and DIDO workers.<sup>6</sup>
- Another key concern is the influence of the current tax regime on geographic labour mobility options and the extent to which it may also contribute to the removal of genuine choice from the labour market. The introduction of 457 visas as a replacement for investment in education and skills development poses significant threat to the Australian Labour markets capacity to respond to market signals through geographic labour mobility. An under-skilled workforce cannot meet the needs of industry regardless of employment options available.

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<sup>5</sup> <http://www.abc.net.au/news/2013-06-28/qrc-cites-thousands-of-job-losses-in-coal-downturn/4786716>

<sup>6</sup> Derived from The State of Queensland: Queensland Treasury and Trade (2014) *The Bowen Basin Population Report 2014*;

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## **1.0 The health impacts on workers and their families from long-distance commuting, particularly mental health impacts, and the provision of health services in mining communities;**

Lifeline WA recently commissioned Edith Cowan University's Sellenger Centre for Research in Law, Justice and Social Change to conduct research regarding FIFO/DIDO worker supports. The research aimed to identify the stressors identified with these work practices and ways employees could cope with these stressors.

Historically, the findings of research into the health impacts, including mental health impacts, on workers and their families from FIFO have been conflicting. As early as 1983, research demonstrated the intermittent absence of one parent is stressful for the family. When repeated absences occur, levels of stress escalate and can impact negatively on child development. Early findings of negative impacts from FIFO including, stress, depression, divorce and substance abuse are reflected in later research including that conducted by Bower (2011, 2012), Sibel (2010), Sibel and Kaczmarek (2005), Gallegos (2005), Carter and Kaczmarek (2009) and Watts (2004).

However some research indicates otherwise. Kaczmarek and Sibel investigated the effects of father's employment related absence on children's psychological well-being and mother's perceptions of family functioning. The sample included three groups of children: children with fathers employed in FIFO mining, children with father's employed in the military and children whose fathers' employment did not involve long periods of absence. Results indicated no significant difference between the three groups on all measures of child well-being, and children were functioning at a healthy level across all groups. Mother's from FIFO families, however, reported significantly higher levels of stress than military and community groups in regards to support, behavioural control and communication within the family. Clifford (2009), FIFO work and extended working hours was not associated with high stress levels, poor health or poor quality relationships, and that overall there was no significant differences in these characteristics between FIFO and daily commute mining employees or FIFO employees and the broader population.

The Lifeline study found that among FIFO workers, when compared to the general population, there was a higher prevalence of psychological distress and a greater likelihood of psychological disorder incidence among FIFO workers, with 10% likely to have a mild disorder, 9% likely to have a moderate disorder and 11% likely to have a severe disorder.<sup>7</sup>

While not detracting from the need for a comprehensive study on the subject, IRC has observed a number of issues arising FIFO/DIDO work practices, impacting at the individual level.

However, the impacts of FIFO practices on health can extend beyond the direct FIFO employee and their immediate family. Given public health service funding decisions and provision of services are determined by the resident population of a community, exclusive of the number of FIFO employees residing within an area, health services can become strained beyond capacity as they struggle to cope with significantly more patients than they are designed to accommodate. Towns within the

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<sup>7</sup> Adapted from Lifeline WA, FIFO/DIDO Mental Health - Research Report 2013

Isaac LGA host significant FIFO populations and during periods of growth pressure, residents are often forced to seek medical assistance from providers outside their community as appointments can be fully booked out months in advance. This can result in delays in seeking medical assistance and potentially compromise the health of residents of host communities. For example even with the current softening of the global commodities markets and easing of growth pressure on regional resource communities, health services Isaac communities still service 45% more population than they are designed and resourced for given the FIFO population is not recognised in State funding decisions.

DIDO practices also pose a threat to the health, safety and well-being of both the direct DIDO employee and the broader community as the employee travels between their residence and workplace, through increasing the volume of traffic, and therefore likelihood of traffic crashes, on regional roads designed for significantly less traffic usage. Fatigue related issues can exacerbate this situation as workers travel home after completing shifts of up to 13 hours. While most companies have fatigue management plans in place, they do not address the underlying cause: long shifts and a desire to be home with family. Fatigue researchers have identified between 13-23% of drivers on their way to or from shifts will fall asleep, resulting in accidents.<sup>8</sup>

**Recommendation** **1**  
Address the research gap relating to the health impacts of FIFO work on the residents of host communities to ensure timely and equitable access to health services for both residents and FIFO workers in regional Queensland.

**Recommendation** **2**  
Ensure funding decisions relating to health service provision are determined by full-time equivalent (FTE) population, inclusive of the FIFO population, rather than estimated resident population in isolation.

**Reference to the Cancer of the bush or salvation for our cities? report:**

**Recommendation 2**  
The committee recommends that the Commonwealth Government, in consultation with state and territory governments, review allocation of funding for communities that receive FIFO/DIDO workforces so that funding is based on both resident and service populations.

**Recommendation 8**  
The Committee recommends that the Commonwealth Government commission a comprehensive study into the health effects of FIFO/DIDO work and lifestyle factors and as a result of this research develop a comprehensive health policy response addressing the needs of FIFO/DIDO workers.

**Recommendation 9**  
The Committee recommends that the Commonwealth Government develop a best practice guide for employers with significant non-resident workforces aimed at assisting them to develop their own family support programs.

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<sup>8</sup> Di Milia 2006

## 2.0 The effects on families of rostering practices in mines using FIFO workforces;

The Lifeline WA report found a correlation between stress levels of workers and particular points of their roster rotation. Notably all groups across demographic categories reported their stress levels as highest in the days leading up to leaving for work, reducing steadily during the time they were away and at their lowest in the initial days after their return home.

Variables such as roster length (time away from home) and roster compression (the ratio of time away to time at home) were also found to impact the general well-being of workers, with those on high compression rosters reporting higher levels of stress. Contributing factors included:

- The length of time away from family
- Missing out on key life events
- Isolation and remoteness
- Boredom in camp
- Poor telecommunications
- Adjustment between home and work.

The Lifeline report concludes those working higher compression rosters report engagement in non-effective coping mechanisms such as ignoring personal needs and withdrawing.<sup>9</sup>

The negative effect of high compression rosters were reflected in the findings of a survey of FIFO workers conducted by the Australian Manufacturing Workers Union (AMWU). As one respondent to the survey reported

“We call 4x1 rosters the suicide roster. I will only do equal time ie 4x4 weeks, 5x5 etc. I did 4x1 for 6 years and it almost cost me my marriage and my entire family life. When my wife was struggling I wasn’t there to help and because I was only home one week I couldn’t do much to help anyway. Quitting and coming home was the only option to look after my family. Being away more than you’re home is not a life. 4x1 was designed for short contracts but we get the ‘golden handcuffs’ and the money is too hard to leave”.

Another respondent noted

“I have been in a relationship/marriage with a FIFO worker for 6 years now. For five years he has worked 2 weeks on, two weeks off and the last year 3 weeks on, 1 week off. He is really struggling with the less time at home and I know many others do also. One week at home after so much time away is just not enough! Especially as many do not live in Perth and so they spend 1-2 days each week travelling to and from Perth”<sup>10</sup>

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<sup>9</sup> Lifeline WA FIFO/DIDO Mental Health Research Report 2013

<sup>10</sup> The Australian Manufacturing Workers Union WA branch – submission to the Education and Health Standing Committee of the western Australian Legislative Assembly inquiry into the mental health impacts of FIFO work arrangements – September 2014



Typically the majority of FIFO workers hosted in the Isaac LGA do not work the high compression rosters often used by WA mining operations. However, as mining companies seek to drive down costs to remain competitive changes are being initiated to existing FIFO rosters. It has been recently reported that Fortescue Metals Group will be changing their roster system in an effort to drive down their wages bill. The new roster will see their current eight days on / six days off arrangement change to 14 days on / seven days off, reducing the number of flights per employee/ per year by 8, from 26 to 18 flights per annum. Fortescue's roster changes may signal a trend for other mining companies, including those currently operating in the Bowen Basin.<sup>11</sup>

As such it is not unreasonable to suggest the Queensland FIFO experience will increasingly align with the findings of the WA studies, with FIFO workers transitioning to higher compression rosters and therefore increased negative health impacts.

However, as noted earlier in this submission, the negative health impacts attributed to FIFO work arrangements extends beyond the direct FIFO employee and their immediate family. Should higher compression rosters become the norm in FIFO operations, host communities such as those within the Isaac LGA will experience increasingly strained health service provision as the number of FIFO workers accessing local medical services increases proportionally.

### **Recommendation 3**

Commission research into average roster lengths and compression of Queensland Operations, including any trends towards increasing roster compression, to facilitate effective and informed health provision planning decisions.

#### **Reference to the Cancer of the bush or salvation for our cities? report:**

### **Recommendation 2**

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### **Recommendation 8**

The Committee recommends that the Commonwealth Government commission a comprehensive study into the health effects of FIFO/DIDO work and lifestyle factors and as a result of this research develop a comprehensive health policy response addressing the needs of FIFO/DIDO workers.

### **Recommendation 9**

The Committee recommends that the Commonwealth Government develop a best practice guide for employers with significant non-resident workforces aimed at assisting them to develop their own family support programs.

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<sup>11</sup> Dr Margaret Giles – <http://www.ecu.edu.au/news/latest-news/2015/04/fortescues-roster-changes-signal-waning-of-the-cashed-up-fifo-era>

### 3.0 The extent and projected growth in FIFO work practices by region and industry;

The Isaac LGA currently hosts an estimated non-resident worker population of 11,085, largely comprised of energy sector employees including black coal and CSG operations. The percentage of Isaac's workforce which does not reside locally rose from 35% in 2006 to 50.9% in 2011<sup>12</sup>. Estimates suggest 56% of the workforce currently reside outside the Isaac LGA.<sup>13</sup>

Given the current market conditions many proposed projects across the Bowen Basin have yet to reach final investment decision and considerable uncertainty exists regarding whether the projects will come to fruition. The Queensland Government Statistician's Office forecasts a non-resident workforce population of between 9,230 and 15,130 by 2019 under a range of scenarios.<sup>14</sup>

The use of non-resident workers employed under FIFO/DIDO or bus-in, bus-out (BIBO) arrangements living in worker accommodation villages (WAVs) is not new in Australia. Historically workers have been sourced from interstate and overseas to where there has been a lack of available or suitably qualified labour in the local labour market. However in 2011 the resource sector made an unprecedented move and secured state government approval to employ a 100% FIFO workforce at Caval Ridge and Daunia mines located on the outskirts of Moranbah. Further potential employees were required to provide a residential address in either Cairns or Brisbane to be successful in their applications, effectively excluding the local labour market.

Embedment of the FIFO model in regional communities is not solely determined by the approvals process however. While no 'official' data source exists, anecdotal evidence suggests some mining companies are increasingly using natural attrition to transition their workforces to the FIFO model. As such, as one residential employee retires or otherwise leaves the workforce, they are quietly replaced by a FIFO worker, effectively circumnavigating the approvals process and any associated conditions or commitments relating to workforce strategies. Interestingly, the proposed Red Hill Mine near Moranbah includes provision of a 3000 person camp, despite the stated workforce requirement for both the construction and operational phases of the project being under 2000 employees and presumably only 50% of those being on-shift at any given time.

A further development to workforce arrangements is the apparent 'casualisation' of the workforce with mining operations increasingly favouring labour hire contracts to meet their requirements over permanent employees. This contributes to ongoing decline of social cohesion as short term employees sourced from outside resource regions have little vested interest in the host communities in which they reside while on shift and therefore serves to undermine the resilience of resource communities to structural change.

IRC advocates for choice in workforce arrangements and actively opposes mandated FIFO workforces. As such, irrespective of government policy, there remains uncertainty regarding whether it is actually the preference of employees to live locally. This will inevitably impact Isaac's population.

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<sup>12</sup> ABS table builder 2011

<sup>13</sup> REMPLAN Community 2015

<sup>14</sup> Bowen Basin Population projections

A survey commissioned by the Queensland Resources Council indicated accommodation arrangements are important or very important in employment decision making to 82% of residential employees and 70% of non-residential employees, and 64% of the combined residential and non-residential workforce are happy with their accommodation arrangements. Approximately 21% of all survey respondents indicated they are ready to change accommodation arrangements, with 22% of these being residential workers seeking to change to non-residential accommodation and 20% being non-residential workers seeking to change to residential status.<sup>15</sup>

However, as mining companies seek to drive down costs to remain competitive changes are being initiated to existing FIFO rosters which may lead some employees to reconsider FIFO as a choice. It has been recently reported that Fortescue Metals Group will be changing their roster system in an effort to drive down their wages bill. The new roster will see their current eight days on / six days off arrangement change to 14 days on / seven days off, reducing the number of flights per employee/ per year by 8, from 26 to 18 flights per annum. Fortescue's roster changes may signal a trend for other mining companies, including those currently operating in the Bowen Basin. This may increase preference for residential accommodation if employees are unwilling or unable to be away from their home base for an extended period of 14 days.

#### **Recommendation 4**

Overturn mandated FIFO practices and ensure the local labour market is not excluded from local employment opportunities.

#### **Recommendation 5**

Address 'insidious' embedment of the FIFO model through requirement for mining operations to offer residential employment options commensurate with the host community's existing capacity and growth potential.

#### **Reference to the Cancer of the bush or salvation for our cities? report:**

##### **Recommendation 1**

The Committee recommends that the Commonwealth Government fund the Australian Bureau of Statistics to establish a cross-jurisdictional working group to develop and implement a method for the accurate measurement of:

- the extent of FIFO/DIDO workforce practices in the resource sector; and
- service populations of resource communities.

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<sup>15</sup> URS Workforce Accommodation Arrangements in the Queensland Resources sector, May 2012

#### **4.0 The costs and/or benefits and structural incentives and disincentives, including tax settings, for companies choosing a FIFO workforce;**

##### **Company Cost:**

High workforce turnover – A study undertaken by the University of Queensland’s Centre for Social Responsibility in Mining on Employee Turnover noted ‘the average turnover rates of company employees at the seven FIFO sites in the study was 20.2%’. The study further noted that some of these sites had, in the past, experienced turnover in excess of 60%. Anecdotal evidence received by IRCI from companies in the Bowen Basin suggests 18 months is the average timeframe non- resident workforce employees last before becoming ‘tired’. High workforce turnover means higher operational costs related to recruitment and training.

Loss of productivity and performance – increased staff turnover is an acknowledged impediment to productivity and performance, regardless of the industry. For mining companies, a culture of safety can be difficult to maintain through the constant training required for new recruits and the increased fatigue associated with longer travel requirements. Corporate image – Communities who feel they are not invested in or connected to major industry employers become strong advocates for change. A social licence to operate, and positive legacy is important for companies to ensure further operations are assessed and approved swiftly. A non-resident workforce brings many corporate reputational risks. High levels of work-related fatigue incidents create great safety concerns and are justly evidenced by recorded incidents on the Peak Downs Highway.

##### **Company Benefit:**

It is understood that cost and time are the major benefits to the mining industry by utilising a non-resident workforce. There is also the capacity to access skilled and unskilled workers from national and international locations. IRC believes that supporting the mining industry means working partnership to ensure that non-resident workforces are able to be utilised, particularly during construction and production increase where time frames are urgent.

However, the industry should work to invest in the region through increasing residential workforces through the operational phase of mine life. An inhibitor for companies to build in resource communities is the considerable capital costs required to house and service residential employees. Maintaining a non-resident population is considered an operational cost, rather than capital, and is consequently easier to fund and justify to shareholders and the board. The ability to regulate workforce and manage fatigue on site is another benefit to the industry. There is also decreased industrial action and union influence in workforce matters with a non-residential workforce. As further benefit, mining companies do not wish to invest in resource communities as it enables a quick and simple exit from communities when the resource is exhausted or product becomes unviable. IRC however, does not endorse this or believe it is acceptable practice.

There has been much public debate in recent months regarding the subsidies and tax breaks paid by state and federal governments to the mining industry. Analysis by the Australia Institute indicates that although mining companies pay royalties, over half that money is then handed back to mining companies via direct and indirect grants. The Australia Institute claims the Queensland Government

has spent nearly as much money (\$9.5 billion) supporting the Queensland Mining Industry as has been spent on investment in the public health system. Western Australia has spent nearly as much money (\$6 Billion) on WA mining operations as it has on its Police service. The Australian Institute further estimates almost 60% of Queensland's mining royalties will be handed back to the mining industry in the current financial year.<sup>16</sup>

Unsurprisingly, the Australia Institute report has been strongly contested by resource sector representative bodies who point to the annual report card on assistance to industry published by the Productivity Commission, as finding year on year that the mining sector receives no subsidies.

However, some observers suggest the work of the Productivity commission represents a myopic failure in terms of assessing the real value of assistance to industry, based on arbitrary definitions of 'government assistance'. The definition employed by the PC explicitly excludes

"regulatory restrictions on competition... tax concessions for superannuation... government programs affecting a range of services industries, mainly relating to the provision of health, education, and community services... [and] resource access arrangements including to mining, forestry and fisheries".

The effect is to portray manufacturing as a mendicant industry imposing high costs on other industries, especially services.

If just some of these excluded measures were to be included, a completely different picture of the scale and distribution of government industry assistance would emerge. For example, imagine evaluating "regulatory restrictions on competition" in the context of the International Monetary Fund finding that Australia has the most concentrated and profitable banking system in the world.

Or to take another example, compare the estimate of A\$7.12 billion net manufacturing assistance with the A\$32 billion allocated over 2013-14 to the superannuation industry in foregone tax revenue, comprising capital gains concessions and tax concessions on contributions. It has been calculated that these tax concessions are equivalent to annual expenditure on the age pension. Similarly, the 30% private health insurance rebate is a A\$1.5 billion tax concession intended to "distort" consumer spending towards this industry.

There are other examples but the most significant relate to the resources sector, again excluded from the definition of government assistance. Taken together with the huge public investment in mining infrastructure, for which the states alone have been estimated to provide A\$3 billion annually for the last six years, the A\$4.5 billion annual expenditure on the diesel fuel tax rebate and other tax subsidies ensures that mining qualifies for the "mendicant" status of manufacturing, but apparently without the stigma.<sup>17</sup>

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<sup>16</sup> <http://www.abc.net.au/news/2014-06-24/mining-industry-receives-billions-of-dollars-in-state-subsidies/5545714>

<sup>17</sup> <http://theconversation.com/productivity-commissions-myopic-failure-on-industry-assistance-28616>

The mining industry has defended 100% FIFO mines claiming they provide access to a diverse workforce and noting Daunia, a 100% FIFO mine on Moranbah's doorstep, has a workforce comprising of 25% women.<sup>18</sup>

While this unexpected social conscience is not unwelcome, IRC would assert that regional communities have not, as yet, run out of women and there is opportunity for local female workers to be employed in local operations.

#### **Recommendation 6**

Remove subsidies and review tax settings which make FIFO workforces more attractive to companies.

#### **Reference to the Cancer of the bush or salvation for our cities? report:**

#### **Recommendation 12**

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to examine the:

- removal of impediments to the provision of residential housing in regional communities;
- removal of the exempt status of FIFO/DIDO work camps that are co-located with regional towns; and
- Removal of the exempt status of travel to and from the workplace for operational phases of regional mining projects.

#### **Recommendation 13**

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to:

- remove the general exemption for FIFO/DIDO workers from the 12-month limit of payment of the living away from home allowance;
- enable specific exemptions for construction projects that have a demonstrated limited lifespan; and
- enable specific exemptions for projects in remote areas where the FIFO/DIDO work practice is unavoidable.

#### **Recommendation 14**

The Committee recommends that the Commonwealth Government review the Zone Tax Offset arrangements to ensure that they are only claimable by permanent residents of a zone or special area.

#### **Recommendation 15**

The Committee recommends that the Commonwealth Government review the Zone Tax Offset to ensure:

- that it provides reasonable acknowledgement of the cost of living in remote Australia;

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<sup>18</sup> <http://www.miningaustralia.com.au/news/bma-defends-its-fifo-queensland-mines>

- that the zones are based on a contemporary measure of remoteness;
- that the zones are based on up-to-date census figures; and
- that it includes a mechanism for regular review to ensure that the offset reflects accurate population figures.

#### **5.0 The effect of a 100% non-resident FIFO workforce on established communities; including community wellbeing, the price of housing and availability, and access to services and infrastructure;**

FIFO workforces affect resource communities in many ways. While growth in the resource sector has the potential to provide more jobs, higher wages, population growth, local business growth, increased service provision and improved infrastructure, the use of mandated or unregulated FIFO practices, combined with infrastructure and services investment decisions based solely on residential population estimates, means these potential benefits are not realised, and in fact serves to degrade communities in terms of liveability.

While difficult to directly quantify the effects of the non-resident workforce on the liveability of the host community, IRC notes that the 15.9% increase in Isaac's non-resident workforce from 2006 to 2011<sup>12</sup>, coincides with a reported 11.4% decrease on the liveability index for the Isaac Region.<sup>13</sup> IRC suggests the commission investigate correlations between increases in FIFO trends and decreasing liveability indicators as a means of quantifying the effects of forms of geographic labour mobility on communities.

Workers in 'temporary' accommodation are predominantly male. This significantly contributes to the gender imbalance prevalent in the Bowen Basin. The progressive masculinisation of the workforce is often perceived as the cause of increasing levels of violence in regional towns. It also creates unease for women who reside in male-dominated towns and discomfort when socialising at night. Social perceptions of decreased community safety are important to residents. This includes increased crime and drug and alcohol related violence increasing in alignment with the introduction of a non-resident workforce.<sup>14</sup> While decreasing community safety may be more perceived than real, reports of violence and other crime has been greatly inflated and misrepresented in media reports. ABC's four corners report on community safety in Moranbah featured interviews with concerned residents who were later discovered to not even reside in the town.<sup>15</sup> This type of coverage serves to further detract from the communities appeal to permanent residents.

As previously noted, increased and uncontrolled resource sector growth has limited availability of permanent housing and driven inflation in purchase and rental housing costs. This creates hardships for low income earners, who in some instances have been forced to resort to sleeping in cars or tents. It also creates difficulty in attracting and retaining employees in essential services such as schools, hospitals and social services and people are being forced to relocate as low cost housing options are converted to single-person-quarters to house non-resident workforces (Rae et al 2011).

Decreasing affordability has led to the emergence of the 'new social poor'; people on non-mining industry incomes or what would traditionally be described as middle income, are now experiencing

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<sup>16</sup> Petkova et al 2011

increased living costs and housing stress. This is placing pressure on traditional social services, particularly housing services. Due to the data indicating high wages in the area, the state is pulling away from strategic investment in social housing, failing to take into account the non-mining industry sector.

Aside from visual amenity, the proportion of residents to non-residents also contributes to the sense of being 'taken over' by work camps. The social capital of rural towns is largely dependent on a strong identity and sense of community which can be threatened by the dominance of mining over other industry sectors. Lack of integration between resident and non-resident workers creates a strong 'us vs them' mentality and can lead to non-resident mine workers being blamed for a disproportionate share of crime and anti-social behaviour. Increasing levels of fear are also being reported.

This is especially so for sexual assault, which is now rated higher in parts of Isaac, than the remainder of Queensland, with average rates increasing faster than the state average in some towns.<sup>16</sup> Essential community services such as health, education, local government and emergency services are increasingly finding they are unable to retain and recruit staff due to wage incompatibility, housing affordability and lack of labour supply. In contrast to the resource sector, public sector fiscal constraints are not typically conducive to the construction of WAVs to house employees and the sector largely depends on permanent relocation as a geographic labour solution in a challenging housing market. The capacity of the public sector to meet the needs of the community is further diminished through under resourcing. As previously noted, population data utilised in decision making processes determining staff allocation to public sector services does not incorporate the non-resident workforce and as such services are significantly constrained in their capacity to meet the demands of the true population.

The public health system is especially impacted by the non-resident population. Health services are utilised extensively by the non-resident population however they are not resourced in accordance with the non-resident population. This situation is broadly echoed across the public sector with other essential services such as police, fire and ambulance, also experiencing diminished response capacity.

As many non-resident workforces are housed in WAVs that supply their own water, power and sewerage infrastructure, it is often supposed that they have little impact on mining communities. However, this does not take into account the wear and tear on roads nor the indirect employees who are housed in towns and utilise community infrastructure.

For businesses not directly linked to the resource sector, recruiting and retaining staff in resource communities is challenging, particularly during periods of high resource sector growth. Rental stress reached record highs in late 2011 in Moranbah at a time when the resource sector was experiencing unprecedented growth and mining companies had significant parcels of large undeveloped land. Investors were buying available housing stock in order to secure disproportionate return on investment through greatly inflated rental returns, smaller businesses providing essential services such as health and retail were unable to secure housing for their workers. This is another example of

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<sup>16</sup> Petkova et al 2011



'temporary' relocation impeding permanent relocation. High wages in the resources sector leads to a localised inflationary effect. However smaller businesses are typically not in a position to offer salaries commensurate with the higher cost of living in resource communities. Further the procurement policies and structures of multi-national companies are largely incompatible with the cash flow requirements of small and medium enterprises which are therefore unable to leverage the economic benefits of resource sector growth.

### **Social Impact Assessments**

Within the current regulatory context for Environmental Impact Assessment of resource projects, social impact assessments (SIAs) and mitigation strategies are developed in isolation by each new proponent. Social impacts are not given the same weight as environmental or economic impacts and as a result, methodologies for determining social impacts and their management have not been developed to the same extent in order to allow for communities, local government, state government, industry and the private sector to systematically address cumulative impacts of resource operations and private development or to capitalise on strategic investment opportunities. The shortcomings in terms of forward planning for social impacts include overall uninformed decision making and ad hoc investment given the need for social services and infrastructure cannot always be calculated or quantified.

Through the process of developing each SIA, many resource communities become over consulted since the same government and community stakeholders are being asked the same questions by multiple proponents. This requires a significant amount of resources and time dedicated by local government, businesses, landholders, community groups and individuals. The current process also means that project proponents are all spending time and resources to gather the same data from each stakeholder.

Each proponent then develops an associated management plan with that company's interpretation of how the identified social impacts are to be addressed. In theory, mitigation strategies for individual projects would assess social indicators specific to the area and tailor the design and implementation of the plan to the needs and culture of the local community. In practice, the indicators tend to be the obvious, such as housing, health and transport, with cookie cutter programs implemented regardless of their applicability to the communities impacted. Existing plans tend to determine impacts and mitigation/enhancement strategies based on workforce population. However, the extent to which reported workforce population data can be considered reliable is variable given the resource sector trend away from direct, to contractor employment, which can be problematic to measure with numerous contracting companies active on sites for indeterminate periods of time. A more transparent, equitable and workable solution may be to assess cumulative socio-economic impacts and guide mining company financial investment based on tonnage output, as a more easily sourced and quantifiable data source.

Although addressing cumulative effects is a requirement of EIS and SIA, this process leads to the silo of development and implementation of management plans and inability to sustainability manage and measure the cumulative impacts of multiple activities in the same region. The extent to which cumulative effects are considered and planned for is usually limited to the immediate community or perhaps the larger LGA, but not typically on a wider regional scale.

The benefits to proponents in the present context include the ability to conduct the SIA in isolation in a relatively streamlined process and the opportunity for continued adaptation of SIMPs. Existing examples of such social impact management strategies include the Bowen Basin Health Study the Clermont Preferred Futures strategy and engagement framework and the Preferred Futures Urban Design Frameworks. These are examples of best practice which are perhaps in the minority. More typically, proponents fast track mitigation strategies and fail to address what is discovered to be reality once operations begin in the actual location. For example, construction is completed by contractors and once operation by the project owners begins, they are left with unexpected impacts to deal with. Mitigation strategies are also typically designed on the notion that that project impacts will remain constant across multiple phases, which is not generally the case in practice. The result is companies dedicating significant resources to managing the SIMP rather than the impacts.

The current system does have the value to stakeholders of mandatory reporting; engagement and the ability for stakeholders to have input into the development of the ToR and SIA and does not require Councils to dedicate resources to the reporting process. However, there is no standardised process for stakeholders other than the State government to hold proponents accountable to their commitments or to access or conduct reporting and audits on the plans. This does not allow for the alignment of strategy, implementation and reporting of multiple mitigation measures. The necessity for stakeholders to react to social impacts rather than be a constructive part of the process makes for poor use of resources and limits the ability of local governments to conduct proactive planning strategies. Since there is no reporting to the public regarding how actions lead to sustainable outcomes, the outward manifestation of mitigation strategies will often be marketing of sponsorships and projects with the company logo visible. This contributes to a misunderstanding on a local level as to what social indicators actually are, potential community outrage, and which stakeholders, whether it is the resource industry, state and local government, non-profit organisations and so on, are actually responsible for different areas of social wellbeing. There is no clear demarcation of stakeholder accountabilities leading to confusion over responsibilities for different areas of the plan. For example, many regional State owned roads may not be of a sufficient standard; however it is often left to local government to lobby industry to maintain them to a usable standard. Similarly, State's current position of not including resource region's non-resident workforce populations in service and infrastructure provision ratios and models means that the

obligation for provision of adequate health and emergency services is often transferred to local government and industry.

Measurement of outcomes has proven to be a difficult task for many mitigation efforts and commitments. Some government measurement of outcomes does occur but usually through the initiative of stakeholders, for example council officers, in regards to a vested interest in a particular aspect of the management plan. Council can attempt to hold the proponent to their commitments but there are no formal avenues to utilise measurement data through lobbying.

State and federal government are the regulatory bodies for SIA and mitigation efforts, but do not necessarily have insight into the local context or understand best SIA practice. An isolation of information exists from proponents and Coordinator-General that could be used to inform mitigation strategies and provide a better cumulative impact outcome. A better link between governance bodies such as QRC, LGAQ and Coordinator-General and local stakeholders could be a more consistent and sustainable solution and is reflected in the proposed governance model for the CPRRF feasibility project.

Academic review of development in resource regions supports this argument. As Sharon Harwood describes,

‘The current approach undertaken in planning and through the EIS process reinforces the ‘de-regionalisation’ of resource regions and the growth of urban areas. This application of urban theory reinforces the growth of the urban based industrial resource economy and further exacerbates the dependency of remote communities on external capital transfers (welfare) and business development.’ (Regional Plans and Remote Settlements: the implications of statutory planning upon resource dependent economies, 2011).

### **Social License to operate**

IRC has struggled to manage the impacts of poorly planned rapid growth in the resource sector.

Current academic theory suggests mining operations cannot occur without proponents holding ‘social licence to operate’ (SLO), an intangible construct relating to a community’s acceptance of a company’s operations. Without SLO, resource sector operators face costly disruptions to business including direct community action, such as protests and picketing, and industrial action including strikes.

However, while the term SLO is often employed by the resource sector to justify their presence and ongoing operations, it remains an elusive and often misunderstood concept, particularly in regard to the actors who grant the SLO. While it would be reasonable to assume that the community would grant SLO to a company, in reality, mining companies largely self-assess and award themselves SLO, in a bid to appease shareholders and

corporate offices, without deeper understanding of what constitutes SLO. The outward manifestation of which is companies adopting a high profile ‘Sponsorships and Donations’ approach to the management of socio-economic impacts of resource sector operations, often significant investment in social and recreational infrastructure, which is then handed to local government to maintain with funds leveraged from their rates base, presenting an ongoing burden to the community.

As such, there is a critical need to fully understand and measure SLO, which in combination with other quantitative data sets will provide a platform for collaborative management of cumulative socio-economic outcomes across all tiers of government, industry and community, to ensure the ongoing viability of the resource sector and host regions.

### **Recommendation 7**

Ensure workforces are sourced locally to the full extent possible.

#### **Reference to the Cancer of the bush or salvation for our cities? report:**

#### **Recommendation 1**

The Committee recommends that the Commonwealth Government fund the Australian Bureau of Statistics to establish a cross-jurisdictional working group to develop and implement a method for the accurate measurement of:

- the extent of FIFO/DIDO workforce practices in the resource sector; and
- service populations of resource communities.

#### **Recommendation 2**

The Committee recommends that the Commonwealth Government, in consultation with state and territory governments, review allocation of funding for communities that receive FIFO/DIDO workforces so that funding is based on both resident and service populations.

#### **Recommendation 3**

The Committee recommends that the Commonwealth Government commission a comprehensive research study to determine the actual economic impact on the demand for and consumption of local government services and infrastructure from FIFO/DIDO workforces.

#### **Recommendation 4**

The Committee recommends that the Commonwealth Government commission a study of the impact of non-resident workers in regional resource towns on the provision of medical services and as a result of this study develop a health policy response that supports the sustainability of regional medical services.

#### **Recommendation 5**

The Committee recommends that the Commonwealth Government charge the Australian

Small Business Commissioner to enhance the capacity of small businesses in resource communities to participate in servicing the demands of the resource sector.

**Recommendation 7**

The Committee recommends that the Commonwealth Government task the National Housing Supply Council to urgently develop and implement a strategy to address the supply of affordable housing in resource communities and report to the House of Representatives by 27 June 2013 on the progress of this strategy.

## 6.0 Strategies to optimise the FIFO experience for employees and their families, communities and industry;

### ***Employees and their Families:***

There are a few strategies which will optimise the non-resident workforce experience for employees and their families. These include:

- The ability to invite families to stay in the communities to experience their partner's primary place of residence. This would include a program including possible employment opportunities, and typical community events and recreation that showcases the liveability and lifestyle of the area.
- The development of more flexible 'lifestyle' rosters, with decreasing shift hours. This will assist in managing fatigue and decreasing time spent away from home for workers. The development of public transport in regional areas will also assist in decreasing the self-drive and fatigue related road trauma. The notion of a high speed train to connect resource and coastal communities should allow workers to travel to and from on a daily basis.
- The introduction of a workplace of choice policy. Re-evaluating existing employment policies to ensure employees have the ability to choose their lifestyle – resident or non-resident - will ensure increased job satisfaction and decreased social issues.
- The ability to accommodate worker's families for short term stays (5 – 7 days) in self-contained camp accommodation may assist non-resident workers in spending time with their families. This could be particularly useful to address the issues of child access in situations of separation and divorce.

### ***Point of Origin Communities:***

Understanding the social cost to point of origin communities is very important. It's also crucial to develop and deliver mining industry funded family support services to address issues specific to families of non-resident employees. These services could include increasing child care facilities and respite care services for partners in point of origin communities to allow workforce and community participation and alleviate household stress caused by single parenting.

### ***Resource Communities:***

There is little to recommend the growth of non-resident workforces to resource communities. Advocating for workforce participation in community and social recreation and events could assist in developing long term ties to the community and assist in taking pressure from overstretched services.

### **Reference to the Cancer of the bush or salvation for our cities? report:**

#### **Recommendation 8**

The Committee recommends that the Commonwealth Government commission a comprehensive study into the health effects of FIFO/DIDO work and lifestyle factors and as a

result of this research develop a comprehensive health policy response addressing the needs of FIFO/DIDO workers.

#### **Recommendation 9**

The Committee recommends that the Commonwealth Government develop a best practice guide for employers with significant non-resident workforces aimed at assisting them to develop their own family support programs.

#### **Recommendation 10**

The Committee recommends that the Commonwealth Government commission research on the effect on children and family relationships of having a long-term FIFO/DIDO parent.

#### **Recommendation 11**

The Committee recommends that the Commonwealth Government commission research into the economic and social impacts of establishing regional centres as FIFO source communities.

### **7.0 The commuting practices for FIFO workforces, including the amount of time spent travelling, the methods of transportation, and adequacy of compensation paid for commuting travel times;**

DIDO practices also pose a threat to the health, safety and well-being of both the direct DIDO employee and the broader community as the employee travels between their residence and workplace, through increasing the volume of traffic, and therefore likelihood of traffic crashes, on regional roads designed for significantly less traffic usage. Fatigue related issues can exacerbate this situation as workers travel home after completing shifts of up to 13 hours. While most companies have fatigue management plans in place, they do not address the underlying cause: long shifts and a desire to be home with family. Fatigue researchers have identified between 13-23% of drivers on their way to or from shifts will fall asleep, resulting in accidents.<sup>19</sup>

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<sup>19</sup> Di Milia 2006

## **8.0 The effectiveness of current responses to impacts of FIFO workforces of the Commonwealth, State and Local Governments;**

Geographic labour mobility presents significant challenges for local government with high percentages of non-resident workforces. The largest challenge is undoubtedly the ability to effectively plan for natural population growth, particularly as industry prescribes forced settlement patterns by way of their workforce recruitment policies. Caval Ridge and Daunia Mines' 100% FIFO policy from Brisbane is just one example of this forced settlement pattern. While both State and Federal governments have the capacity to influence settlement patterns by conditioning environmental impact statement (EIS) and social impact assessment (SIA) approvals, both tiers of government have chosen to ignore this opportunity. As State and Federal governments continue to embrace a 'hands off' approach to settlement patterns, industry has assumed the role of government in Australia's resource regions and cities, dictating the future and determining the fundamentals of resource communities.

Funding, tax, population and spatial growth, settlement patterns, housing market, essential services and investment in critical infrastructure is driven by the whims of mining companies reporting to shareholders, not comprehensive and robust government policy.

Isaac's water supply challenges are a prime example of state and federal government allowing industry to determine the future of resource communities. At present the Isaac LGA has no secure water allocation to supply its communities and is dependent on industry permission to use some of their water allocation. The Queensland Government's Connor's River Dam project, which would have facilitated an independent supply for the region, has been shelved indefinitely leaving Isaac's resource communities in an extremely vulnerable position. Despite this, the state government continues to approve resource projects which will result in significant non-resident population growth in the region and additional water stress. As previously noted, the non-resident workforce is not included in the data used to assess critical infrastructure and essential requirements. While this may be reflective of a flawed understanding of the impacts of a non-resident workforce on local infrastructure it remains an inconvenient reality that all human beings, regardless of their forced or chosen labour market participation practices, require water to survive. Happily IRC is unaware of any proposed oxygen allocation scheme otherwise it is likely that entire communities would asphyxiate under current government policy and processes.

Many multi-national resource companies monopolise and influence regional housing markets to support their preferred FIFO/DIDO workforce practices. After skills shortages, lack of available land for residential development is cited as a justification for recruitment of a non-resident workforce. In reality, resource companies have enacted 'land-banking' practices whereby they purchase land zoned for residential development in order to remove it from the market with no immediate intention to develop it to permit permanent relocation options for workers. An undersupplied housing market ultimately impacts housing affordability. In the case of resource communities the level of capital investment required to break into the market was beyond the scope of average



income earners and private housing stock is largely controlled by investors seeking greatly inflated return on investment through greatly inflated rents.

IRC has been forced to intervene in the housing market with rate payer's money in an attempt to normalise the community. In effect IRC has been forced to buy their opportunity for natural growth before industry could further retard growth with land banking practices. IRC has been successful in securing one of the last parcels of available land suitable for natural growth in Moranbah for Belyando Estate but had to bid against resource companies for the asset and ultimately inform the type of future growth for the town.

Current planning mechanisms make no provision for assessment of the large scale and style of development associated with housing a non-resident workforce in a cumulative context. Isaac's LGA is currently comprised of over 50% non-residents.<sup>10</sup> In addition to this percentage, IRC is currently in receipt of three applications for four worker accommodation villages proposing to house an additional 8,000 non-resident workers in the small locality of Coppabella. To provide context, Isaac's LGA has an estimated resident population (ERP) of 23,720, and a conservatively estimated non-resident worker (NRW) population of 17, 125. The Isaac region's largest town is Moranbah with an estimated resident population of 8,990. Coppabella is a privately owned town with a resident population of 630<sup>20</sup>.

There is currently no publicly owned infrastructure or services. An additional 8,000 transient workers will not only significantly impact the urban form and the requirements for core infrastructure and services; it will also fundamentally change the face of development in Central Queensland. Unfortunately, given the structure of available planning mechanisms, each application must be assessed in isolation and solely on its own merits. As such IRC is forced to assess an application for a camp for 2,000 workers with disregard to the impacts associated with an additional 6,000 workers under assessment, and unable to condition the provision of core services such as emergency services or health care. While IRC understands the importance of assessing each application on its own merits, it would be completely irresponsible of Council not to consider the implications of broader development.

The Queensland Government's response to planning challenges has been to assume planning powers in identified growth areas and bypass local government by facilitating developers to negotiate directly with Economic Development Queensland (formerly the Urban Land Development Authority). Whether State led planning initiatives have been any better or worse than local government efforts is questionable. To date EDQ/ULDA outcomes have included the development of a 3256 bed WAV on one of the last allocations of prime residential land in the township of Moranbah. The continued economic viability of resource communities, particularly post-mining, is dependent on rigorous planning processes as the sole mechanism for responsible development. In the geographic labour mobility context it is critical policy reflects the need for assessment of

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<sup>1</sup> Queensland Treasury and Trade, Government Statistician, Bowen Basin Report 2012

developments in a cumulative context and formally acknowledges and empowers the role of local government in planning for their communities.

IRC is developing the cumulative planning for resource regions framework (CPRRF) as a possible cumulative planning mechanism.

Further impacts on local government which need to be considered in the broader geographic labour mobility context include additional required compliance monitoring regarding local laws and natural resource management.

IRC has recorded increased incidences of irresponsible pet ownership with highly transient workers. This includes dumping animals, not registering pets, as well as poor care/nutrition from owners being absent for large periods of time while on their rostered day's off.

Further concerns exist around natural resource management, particularly in relation to the spread of pests and weeds. A highly mobile workforce is contributing to the spread of damaging species, specifically Parthenium and Giant Rats Tail Grass, into areas not previously impacted. Of particular note is the discovery of Parthenium in the Moranbah Airport car park. It can be assumed that pests and weeds are not only being distributed by vehicles and work boots to a range of locations, but also potentially by air. This poses significant ecological risk for not only the Isaac region, but areas on the reciprocal end of geographic labour mobility with regards to incoming and outgoing pests and weeds.

Highly mobile workforces combined with high density WAVs also pose concerns for infectious disease management. Recently Moranbah was exposed to a mild measles outbreak. The incidents were quickly managed resulting in very minor contained cases; however the circumstance could easily have been different. These concerns are exacerbated with 457 Visa debate and potential large workforces being imported from overseas to meet regional labour market demand to sustain resource sector growth. Very recently there has been media to suggest Queensland's rate of sexually transmitted disease, particularly HIV is partially contributed to highly mobile resource sector workers regularly visiting Asia during their rostered days off.

Another undesirable outcome arises from industry desire to be perceived as socially responsible in resource communities despite trends towards a non-resident workforce. Authentic corporate responsibility is often replaced by a 'sponsorship and donations' approach to elicit positive media headlines.

#### **Reference to the Cancer of the bush or salvation for our cities? report:**

#### **Recommendation 12**

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to examine the:

- removal of impediments to the provision of residential housing in regional communities;

- removal of the exempt status of FIFO/DIDO work camps that are co-located with regional towns; and
- removal of the exempt status of travel to and from the workplace for operational phases of regional mining projects.

#### **Recommendation 13**

The Committee recommends that the Commonwealth Government review the *Fringe Benefits Tax Assessment Act 1986* to:

- remove the general exemption for FIFO/DIDO workers from the 12-month limit of payment of the living away from home allowance;
- enable specific exemptions for construction projects that have a demonstrated limited lifespan; and
- enable specific exemptions for projects in remote areas where FIFO/DIDO work practice is unavoidable.

#### **Recommendation 14**

The Committee recommends that the Commonwealth Government review the Zone Tax Offset arrangements to ensure that they are only claimable by permanent residents of a zone or special area.

#### **Recommendation 15**

The Committee recommends that the Commonwealth Government review the Zone Tax Offset to ensure:

- that it provides reasonable acknowledgement of the cost of living in remote Australia;
- that the zones are based on a contemporary measure of remoteness;
- that the zones are based on up-to-date census figures; and
- that it includes a mechanism for regular review to ensure that the offset reflects accurate population figures.

#### **Recommendation 16**

The Committee recommends that the Commonwealth Government charge the Australian Electoral Commission to develop an electronic voting system for voters living or working in remote areas to facilitate easier access and ensure more accurate population figures are recorded.

#### **Recommendation 17**

The Committee recommends that the Commonwealth Government charge the Productivity Commission with investigating a more appropriate form of governance for remote Australia that is flexible and responsive.

#### **Recommendation 18**

The Committee recommends that the Commonwealth Government establish a dedicated secretariat, within an existing government department and based on the Province of Alberta Oil Sands Sustainable Development Secretariat, with responsibility for consulting with state governments and the resources industry in order to:

compile nationally consistent data regarding the impact of FIFO workforces on housing, infrastructure, healthcare, education, social services and future planned resource development;

- develop a regional social and infrastructure impact methodology that will assist resource companies and local governments in assessing the impact of current and planned resource projects including cumulative impacts;
- develop regional infrastructure plans; and
- develop, promote and coordinate community benefits agreements.

## Closing Comments

IRC thanks the Queensland Government for this opportunity to provide feedback on the *Fly in, fly out and other long distance commuting work practices in regional Queensland* inquiry. Should the Committee have any questions or require further information on content contained within this response, please do not hesitate to contact IRC's Socio-Economic Development Unit on 1300 ISAACS or email [records@isaac.qld.gov.au](mailto:records@isaac.qld.gov.au).